higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

ucdp
UNIVERSITY CAPACITY DEVELOPMENT PROGRAMME

# STANDARD OPERATING PROCEDURES FOR THE IMPLEMENTATION AND MANAGEMENT OF THE UNIVERSITY CAPACITY DEVELOPMENT PROGRAMME AND THE UNIVERSITY CAPACITY DEVELOPMENT GRANT

**2018-2020**

**Endorsed by:**

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**Date:** 26/02/2019

**Approved by:**

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**Date:** 28/02/2019

## Background

1. The purpose of this document is to describe the standard operating procedures for implementing and managing the University Capacity Development Programme (UCDP) and the University Capacity Development Grant (UCDG) that will be followed by the Department of Higher Education and Training and Universities for the first three years of implementation.

2. This document should be read in conjunction with the following documents which form part of the UCDP:

   (i) The Ministerial Statement on the Implementation of the University Capacity Development Programme through Effective Management and Utilisation of the University Capacity Development Grant 2018 – 2020 (DHET, 2017). The Ministerial Statement describes the nature of the UCDP and the UCDG and provides the policy framework for their implementation.
   (ii) Staffing South Africa's Universities Framework document (DHET, 2015); which lays out a comprehensive approach for developing staff capacity at universities.

3. In cases where any discrepancies in other SOPs such as the SOPs for the New Generation of Academics (nGAP); SOPs for the University Staff Doctoral Programme and any other SOPs that will be developed in the future are identified, this (UCDP SOP) document will supersede these.

4. The UCDP is implemented in three-year cycles starting in 2018, accompanied by the yearly allocation of a UCDG.

5. The first cycle of the UCDP commenced in January 2018 and will end in December 2020.

## State allocations for the University Capacity Development Grant

6. The total amount available for the UCDG is R933 750 000 for the 2018 academic year, and R984 690 000 for the 2019 academic year. The projected amount for the UCDG in 2020 is R1 039 085 000. The amount for 2020 will be confirmed in the Ministerial Statement on University Funding which will be made available to universities by December 2019.

7. The share allocation model for the first three years of the UCDG is based broadly and simply on two variables which serve as proxies for student development needs and staff development needs:
   - The proportion of students at institutions from historically disadvantaged population groups, specifically African and Coloured students; and

- The proportion of permanent instructional and research staff at the institution that must still achieve a doctorate.

8. The allocation model is being phased in from the 2018 academic year and will be applied fully in the third year of the grant. Historical Teaching Development Grant (TDG) and Research Development Grant (RDG) spending patterns have been taken into account to migrate universities towards the full model.

9. The allocation model was developed in consultation with the sector.

10. The University of South Africa is allocated 15% of the total amount available for disbursement to universities, and the share model is applied to distribute the remainder to 23 universities.

11. Sol Plaatje University and the University of Mpumalanga receive a block earmarked grant and are expected to allocate a portion of the block earmarked grant to fund their University Capacity Development Plans.

12. In addition to the allocation for individual universities, the UCDG makes provision for the allocation of funds to national capacity development programmes as follows:
    - The New Generation of Academics Programme (nGAP).
    - The Higher Education Leadership and Management Programme (HELMP).
    - National Collaborative University Capacity Development Projects.

13. In discussion with the sector around measures that should be put in place to limit the possibility of under-expenditure due to misalignment between the academic year and the state's financial year, it was agreed that the universities would develop their University Capacity Development Plans and implement them over the academic year. Table 1 below thus provides amounts that show what the academic year allocation is in comparison to the financial year allocation. It should be noted that the Jan-March 2018 allocation shown in the table below is an allocation from funds available for the 2017/18 financial year, and accounts for 25% of the funds that were available for that year. The same model is followed through each year.

14. The table below shows how the yearly amount will be allocated for various aspects of the UCDP.

**Table 1**: Yearly allocations for each aspect of the University Capacity Development Programme

| | Academic year share allocation | | |
|---|---|---|---|
| | 2018 | 2019 | 2020 |
| | (%) | (%) | (%) |
| CAPE PENINSULA UT | 4.34 | 5.08 | 5.82 |
| CAPE TOWN | 2.33 | 2.14 | 1.95 |
| CENTRAL UT | 2.38 | 2.38 | 2.38 |
| DURBAN UT | 4.69 | 4.63 | 4.69 |
| FORT HARE | 2.50 | 2.69 | 2.87 |
| FREE STATE | 6.19 | 5.18 | 4.17 |
| JOHANNESBURG | 9.24 | 9.08 | 8.91 |
| KWAZULU-NATAL | 7.26 | 7.09 | 6.92 |
| LIMPOPO | 2.76 | 4.05 | 5.33 |
| MANGOSUTHU UT | 2.18 | 2.18 | 2.18 |
| NELSON MANDELA | 4.90 | 4.57 | 4.23 |
| NORTH WEST | 5.64 | 5.48 | 5.31 |
| PRETORIA | 5.19 | 4.55 | 3.90 |
| RHODES | 1.44 | 1.22 | 1.00 |
| SEFAKO MAKGATHO | 2.95 | 2.79 | 2.62 |
| STELLENBOSCH | 2.14 | 2.14 | 2.14 |
| TSHWANE UT | 10.04 | 10.04 | 10.02 |
| VAAL UT | 3.19 | 3.19 | 3.19 |
| VENDA | 2.65 | 3.11 | 3.56 |
| WALTER SISULU | 7.10 | 7.10 | 7.10 |
| WESTERN CAPE | 3.85 | 3.69 | 3.52 |
| WITWATERSRAND | 3.99 | 3.99 | 3.99 |
| ZULULAND | 3.05 | 3.63 | 4.20 |
| SOUTH AFRICA | | | |
| **TOTAL ALLOCATION TO UNIVERSITIES** | | | |
| New Generation of Academics Programme | | | |
| Higher Education Leadership and Management Programme | | | |
| National Collaborative Programme | | | |
| **TOTAL** | | | |
| **OVERALL TOTAL FOR ACADEMIC YEAR** | | | |
| **OVERALL TOTAL FOR FINANCIAL YEAR** | | | |

| | 2018/19 Financial year | | 2019/20 Financial year | | |
|---|---|---|---|---|---|
| | 2018 Academic year | | 2019 Academic year | | |
| | Jan - March 2018 (R'000) | Apr - Dec 2018 (R'000) | Jan - March 2019 (R'000) | Apr - Dec 2019 (R'000) | Jan - March 2020 (R'000) |
| CAPE PENINSULA UT | 5 600 | 17 641 | 6 771 | 21 452 | 8 259 |
| CAPE TOWN | 3 006 | 9 471 | 2 853 | 9 037 | 2 767 |
| CENTRAL UT | 3 071 | 9 674 | 3 172 | 10 050 | 3 378 |
| DURBAN UT | 6 051 | 19 064 | 6 172 | 19 552 | 6 656 |
| FORT HARE | 3 226 | 10 162 | 3 586 | 11 359 | 4 073 |
| FREE STATE | 7 987 | 25 161 | 6 905 | 21 874 | 5 918 |
| JOHANNESBURG | 11 922 | 37 558 | 12 103 | 38 344 | 12 644 |
| KWAZULU-NATAL | 9 367 | 29 510 | 9 451 | 29 940 | 9 820 |
| LIMPOPO | 3 561 | 11 219 | 5 398 | 17 103 | 7 564 |
| MANGOSUTHU UT | 2 813 | 8 861 | 2 906 | 9 206 | 3 094 |
| NELSON MANDELA | 6 322 | 19 917 | 6 092 | 19 298 | 6 003 |
| NORTH WEST | 7 277 | 22 925 | 7 305 | 23 141 | 7 536 |
| PRETORIA | 6 696 | 21 096 | 6 065 | 19 214 | 5 535 |
| RHODES | 1 858 | 5 853 | 1 626 | 5 152 | 1 419 |
| SEFAKO MAKGATHO | 3 806 | 11 991 | 3 719 | 11 782 | 3 718 |
| STELLENBOSCH | 2 761 | 8 699 | 2 852 | 9 037 | 3 037 |
| TSHWANE UT | 12 954 | 40 810 | 13 383 | 42 397 | 14 220 |
| VAAL UT | 4 116 | 12 966 | 4 252 | 13 471 | 4 527 |
| VENDA | 3 419 | 10 772 | 4 145 | 13 133 | 5 052 |
| WALTER SISULU | 9 161 | 28 860 | 9 464 | 29 982 | 10 076 |
| WESTERN CAPE | 4 968 | 15 649 | 4 919 | 15 582 | 4 995 |
| WITWATERSRAND | 5 148 | 16 218 | 5 318 | 16 849 | 5 662 |
| ZULULAND | 3 935 | 12 397 | 4 839 | 15 329 | 5 960 |
| SOUTH AFRICA | 22 769 | 71 731 | 23 523 | 74 521 | 25 043 |
| **TOTAL ALLOCATION TO UNIVERSITIES** | **151 796** | **478 204** | **156 820** | **496 805** | **166 956** |
| New Generation of Academics Programme | 60 250 | 189 750 | 59 981 | 190 019 | 62 500 |
| Higher Education Leadership and Management Programme | 1 952 | 6 148 | 2 015 | 6 385 | 2 164 |
| National Collaborative Programme | 11 002 | 34 648 | 17 434 | 55 231 | 17 860 |
| **TOTAL** | **225 000** | **708 750** | **236 250** | **748 440** | **249 480** |
| **OVERALL TOTAL FOR ACADEMIC YEAR** | **933 750** | | **984 690** | | – |
| **OVERALL TOTAL FOR FINANCIAL YEAR** | – | **945 000** | | **997 920** | |

**Development, submission and approval of University Capacity Development Plans Individual institution and the collaborative Plans)**

15. Each university is expected to develop a University Capacity Development Plan that describes the projects and activities that it will implement as part of the UCDP, using its UCDG allocation.

16. The Plan must include detailed activity budgets.

17. The Plan must be submitted using the standard template provided by the DHET.

18. The Plan must be aligned to the university academic year.

19. The Plan must be signed off by the Vice-Chancellor before the final version is submitted to the DHET.

20. The Plan must adhere to the allocation model shown in the table below, to allocate funds to different aspects of the Plan:

**Table 2**: The fund allocation model for the 70% allocated for university-managed UCDP activities

| Activity Focus | % Allocation |
|---|---|
| **Student Development** | **20% - 50%** |
| **Staff Development** | **20% - 70%** |
| • Nurturing Emerging Scholars Programme (NESP) | ≤5% |
| • Existing Staff Capacity Enhancement Programme (ESCEP) | |
| ✓ Teaching Development | 20% - 50% |
| ✓ Research Development | 20% - 50% |
| • Supplementary Staff Employment Programme (SSEP) | ≤5% |
| **Curriculum Transformation** | **≤5%** |
| **Management of the UCDG/P[1]** | **≤5%** |

21. The Plans are reviewed by the DHET in collaboration with the universities.

22. Plans are reviewed using a range of criteria, including the following:
    - The Plan must be coherent and clearly linked to the University's overarching Strategic Plan.
    - The Plan must provide university targets for the range of national transformation indicators described in the Ministerial Statement on the Implementation of the University Capacity Development Programme through Effective Management and

[1] Good management capacity is needed to manage the UCDG/P. A maximum of 5% of UCDG funds allocated to universities can be used to cover some of the costs associated with managing the grant and programme.

Utilisation of the University Capacity Development Grant 2018 – 2020 (DHET, 2017).

- The Plan must be developed using an evidence-based approach. Justification for the inclusion of projects and activities must be included and must be based on accurate institutional data.
- Clear and specific targets must be set for each project activity contained in the Plan.
- The Plan must be cost-effective, efficient and must be supported by detailed, itemised activity budgets.
- The Plan must indicate what structures (staff, physical resources, systems, and processes) have been put in place at the university to enable successful implementation of the Plan, and where additional support is needed and will be put in place.

23. Plans are approved by the Director-General of the DHET.

24. The process is different with the collaborative project Plans. Several models are used to develop collaborative project Plans. The Department identifies national developmental areas of need and through discussions with the system, and works with a university that has an ability to lead a collaborative project to develop a Plan. The process of approval is the same as the individual university Plans.

25. The approved Plans are public documents that are shareable across the university system.

**Fund Transfers, Fund Management and Reporting Requirements**

26. The first tranche of UCDG funds for January-March each year are transferred to the universities in the first quarter of the academic year. These funds must be used across all activities as per the approved plan.

27. The allocated funds represent significant government investment in capacitating universities for student support towards their success, staff development and curriculum and/or programme development and it is important that they be spent in responsible and accountable ways. This implies that the university must use good financial management practice in the use of the funds, and be able to accurately account for all expenditure.

28. The university must ensure that transformation requirements of the country are addressed in the use of the funds.

29. UCDG funds must be ring-fenced in a separate cost-centre and managed from this cost centre. The university should disburse the funds, plus any interest earned, only against the approved projects in its UCDP Plan. The university must have the ability to track and report on expenditure per project and per activity.

30. UCDG funds must be placed in an interest-bearing account, and all interest earned from the funds must be recorded in the cost centre. Interest can only be used for activities approved by the DHET.

31. Universities must report on how the interest accumulated from the previous year's funds was used each year.

32. Annual progress reports must be submitted by the universities to the DHET by the 28 February each year. Late submission of progress reports and unsatisfactory reports will delay the transfer of the next tranche of UCDG funds to the university.

33. Reports must be submitted using the reporting template provided by the DHET.

34. Annual reports will be reviewed by the DHET, and once approved by the Director-General, the remainder of funds available for the year will be transferred to the university.

35. Universities must limit the amount spent on human resources such as remuneration for staff employed and ensure that there is a migration strategy for sustainability purposes. The university is also advised not to make long term employment commitments solely from UCDG funds.

36. It is also strongly recommended that the tutorship and mentorship programmes that are proposed by the university be linked to the goal of developing future academics.

37. The funds for each year must be utilised by 31 December.

38. Any unspent funds will be deducted (withheld) from the new allocation approved for the following year. Unspent funds cannot be rolled over to the following year.

39. Unspent funds at the university must be included as part of the total allocation to implement the plan for the following year.

40. The first tranche of funds released at the beginning of each year is to enable all activities that were planned to start from the beginning of the year to do so.

41. An annual monitoring meeting will take place with each university to review on-site implementation of programmes, to monitor progress, and to deal with any issues that the DHET or the institution would like to be addressed. The agenda for the meetings will be constructed jointly by the DHET and the institution. The meetings are planned to take place from August to October of each year.

42. The DHET will use the annual reports from universities, and the information gained from the monitoring meetings to develop an annual consolidated national report on the

implementation of the University Capacity Development Programme for submission to the Director-General. Once the annual report is signed off by the Director-General, it becomes a public document that will be shared across the system.

**External audit requirements**

43. The annual progress report must be accompanied by an external audit certificate which confirms that an external audit of expenditure for the year has been conducted.

44. External audits must be conducted in compliance with the following requirements:
    - An external audit of the grant must be conducted at the end of each implementation year.
    - The audit must confirm the expenditure for the year, commitments[2] incurred in that year that still need to be honoured, and unspent funds that remain after all expenditure and commitments have been accounted for in the financial reporting template provided by the Department, in addition to the narrative report compiled by the auditors. Unspent funds will be withheld by the Department from the following year's allocation. Universities should continue to utilise unspent funds on the approved activities for the year.
    - The report from the university's external auditors must indicate whether all expenditure was incurred and paid for following the university's formalised procedures and code of conduct.
    - The report must also indicate whether all expenditure and commitments are consistent with the final University Capacity Development Plan and the budget for the Plan that was approved by the Department.
    - An audit sampling methodology of not less than 60% of expenditure incurred must be used for the external audit. The 60% refers to the requirement that 60% of the expenditure for each project in the approved Plan must be audited. The university must adhere to the Standards on Auditing (SA 530: Audit Sampling in this regard).

45. The information contained in this SoP together with the letter signed by the Director-General of the Department releasing funds must be brought to the attention of the external auditors so that they can report on compliance with the procedures and requirements that are described in both documents.

46. The external audit report must confirm the accuracy of the amount declared as interest and whether accumulated interest on the UCDG was used as per approvals granted by the DHET.

[2] For the UCDP and the UCDG, commitments are unambiguously defined as expenses for services that have already been rendered or contracted but for which payment must still be made. Proof that the service has been rendered must be submitted (invoice or contract).

47. This means that the narrative annual progress report, the expenditure report and the external audit report for the year must correspond in terms of expenditure reporting.

48. In the event of the external audit resulting in audit findings, the university is required to provide a management response in the annual progress report submitted to the Department.

**Managing the interest earned on UCDG allocations**

49. Universities are required to hold UCDG funds in an interest-bearing account.

50. All interest generated on the funds must be reflected in the cost-centre for the UCDG.

51. On approval from the DHET, interest can be used for bona fide activities related to the implementation of the UCDP such as:
    - Cover or top-up management costs related to implementing the UCDP at the university;
    - Cover the costs of the mandatory monitoring and evaluation programme that must accompany the implementation of the university's 3 year Plan so that its implementation and impact can be assessed over the duration of the programme, and reported on at the end of the three years of implementation;
    - Be directed towards activities aligned to the university's approved Plan.

52. Requests for use of the interest during an implementation year must be made to the DHET using a standard template that has been made available by the DHET, and can only be used once approval by the DHET is in place. The approvals must be retained for reporting and auditing purposes.

53. There will be occasions when the DHET organises national events related to the implementation of the UCDP, which require university participation. Universities can use funds earned through interest on the UCDG for this purpose. In this case, a general DHET communique providing approval will be made available for accounting purposes.

54. Interest that is not utilised in the following year after it is declared will not be rolled over. It will be treated in the same manner as UCDG unspent funds are treated.

**Addressing under-expenditure and non-compliant expenditure**

55. No requests for rollovers will be considered.

56. Any under expenditure in a specific year will impact negatively on the amount that is transferred the following year. Funds that were not spent by the university in the previous year will be deducted from the amount to be transferred the following year. Exceptions may be considered for UCDP collaborative projects, but only with strong motivation.

57. Likewise, when external audits show that funds were irregularly spent outside of the approved Plan and university policy, the amount spent irregularly will be withheld from the next year's payment by the DHET. Universities will still be expected to implement the full range of activities in their approved Plan and will thus be required to reimburse the cost centre with the irregularly spent amount.

58. All underspent or irregularly spent funds will be withheld by the DHET and will be redirected to other national university capacity development priorities.

**Limitations of what can be funded from the UCDG**

59. The UCDG cannot be used to fund:
    - Normal costs of programme and course design and delivery.
    - General infrastructure and equipment. Only equipment linked to a pilot can be allowed and this should be on a small scale. The university should show what plans are in place to scale up the pilot if it proves to be viable.
    - Scholarships for students who are not staff members of the university.
    - Appointment of regular teaching, administration and technical staff, except in the case of contract staff[3] to support teaching, learning and research development activities, and in the case of appointment of tutors and mentors. Plans should be put in place to employ people contracted in this way permanently on the university establishment, using university funds as these become available.[4] Funds used for employment of staff must be carefully balanced against overall UCDG funds available to the institution and must be essential to, rather than compromise the range of activities that should be implemented. Universities will be expected to provide a motivation in this regard. Not more than 50% of the university's UCDG allocation can be used for employment of staff.
    - General research projects with the exception of projects that focus on the scholarship of teaching and learning, curriculum review and seed funding for academics who have newly acquired a PhD to assist them to progress further along a research development trajectory.
    - Payment for researchers employed/paid to do research to boost the research profile of the university or appointment of post-doctoral fellows.
    - Any activities that should be funded as part of the university's core business costs.
    - Monetary incentives to students and staff for participation in the projects.

60. Payments for any administrative levies, audit fees or operational costs not included in the University's approved plans are not permitted.

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[3] UCDP plans work in three-year cycles, thus contracts would be a maximum of three years. Effort must be made to create permanent employment opportunities for the professionals working in this important area.
[4] The DHET can only commit to three-year funding cycles. The university carries the risk if longer contract terms are put in place, or if people are employed permanently using UCDG funds.

61. The university must limit the use of the UCDG funds on catering, entertainment and refreshments.

62. The university must limit the use of funds for hosting meetings at external venues, which should only be used under exceptional circumstances. All UCDP related meetings should as far as possible take place in university venues.

63. The university must limit use of the services of external consultants, and as far as possible use in-house capacity, or capacity that may be available at other universities in the country.

64. Participation in commercial conferences and workshops using TDG funds is permissible only in exceptional circumstances and after specific motivation and approval from the Department.

**Change Management**

65. Once the Director-General has approved the university's Plan, any changes to the Plan and to the budget must be made through a formal letter to the Deputy Director-General: University Education from a Deputy Vice-Chancellor responsible for the UCDP at the university, accompanied by a change request form on a standard template. This include requests for virements between project activity budgets.

66. Requests for virements can only be considered up to October with full justification for such requests.

67. Changes can only be implemented once approval from the Deputy Director General: University Education has been received.